

MEMORANDUM FOR COMMANDERS AND ACTIVITY HEADS

SUBJECT: Expanded Voluntary Separation Incentive Pay (VSIP) Program – Workforce Shaping

Voluntary separation incentives have been highly successful in reducing our civilian workforce and avoiding unwanted disruptions throughout the Department of Defense (DoD). Without them, the DoD's downsizing would have been truly devastating. Because of this success, activities affected by downsizing already understand and appreciate the value of the VSIP program. However, those not affected by downsizing or who now have a stable workforce may not be aware that they may also benefit from the use of separation incentives through the Department's Expanded VSIP Program. The Expanded VSIP Program provides an excellent opportunity for your activity to reshape and revitalize the workforce.

In May 1994, the DoD implemented a placement program to use separation incentives on an expanded basis. This program authorizes managers at non-downsizing activities to use buyouts to create vacancies. These vacancies must be used to place surplus employees who are facing reduction in force separation at other DoD installations and who are registered in the program. While the vacancy must be used to place one of the registered employees, it may be restructured to a different series, a different grade, or to a different series and grade. This allows management to reshape the workforce, so that any newly created positions match current skill requirements. The buyout payment and associated PCS costs, if any, are paid by the activity where the surplus employee was displaced.

In addition to allowing reshaping, the Expanded VSIP Program allows non-downsizing activities to offer some of their employee's buyouts and Voluntary Early Retirement Authority (VERA). Since so many DoD activities are offering buyouts and VERA, many employees of non-downsizing activities are anxiously awaiting an opportunity to take advantage of these programs. Expanded VSIP provides the only method for offering these benefits to many employees who would otherwise have no opportunity to participate.

Activities that choose to take part in this placement program can expect the same significant returns experienced by others. Incentive costs are prepaid by another activity, a deserving employee is given the opportunity to benefit from VSIP and VERA, and ultimately, a well-qualified employee is placed in the vacancy.

Your supporting civilian personnel office should be able to answer any questions you may have on the Expanded VSIP Program. Program guidance is available to your personnel advisors via the Priority Placement Program, Automated Stopper And Referral System (ASARS). Should you require more detailed information, you may contact the CARE staff at (703) 696-1799 or DSN 426-1799.

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